Meeting Summary
Advisory Panel on Medicare Education
Thursday, July 12, 2001, 9:00 a.m. - 5:00 p.m.

Medicare Education Operating Priorities for 2001 - 2002

Location:

The meeting was held at the Holiday Inn Washington, D.C. on the Hill, 415 New Jersey Avenue, NW, Washington, D.C., 20001.

Federal Register Announcement:

The meeting was announced in the *Federal Register* on June 26, 2001 (Volume 66, Number 123, Pages 33966--33967) **(Attachment A)**.

PRESENT:

Panel Members:

Carol Cronin, Chairperson
Jennie Chin Hansen, Executive Director, On Lok Senior Heath Services
Joyce Dubow, Senior Policy Advisor, Public Policy Institute, AARP
Bonita Kallestad, Advocate, Mid Minnesota Legal Assistance
Brian Lindberg, Executive Director, Consumer Coalition for Quality Health Care
Dr. Patricia Neuman, Director, Medicare Policy Project, Kaiser Family Foundation
Samuel J. Simmons, President and Chief Executive Officer, National Caucus and Center on Black Aged
Myrl Weinberg, Executive Director, National Health Council
Ed Zesk, Executive Director, Aging 2000

Staff:

Nancy Caliman, Center for Beneficiary Choices, Centers for Medicare & Medicaid Services

Guests:

Joe Baker, Executive Vice President, Medicare Rights Center
Candy Schaller, American Association of Heath Plans

Others:

A sign in sheet listing other attendees is incorporated as **Attachment B.**

PANEL MEMBERS ABSENT:

Diane Archer, President, Medicare Rights Center
Dave Baldridge, Executive Director, National Indian Council on Aging
Bruce Bradley, Director, Managed Care Plans, General Motors Corporation
Dr. Elmer Huerta, Director, Cancer Risk and Assessment Center, Washington Hospital Center
Steven Larsen, Maryland Insurance Commissioner, Maryland Insurance Administration
Heidi Margulis, Vice President, Government Affairs, Humana, Inc.
Dr. Elena Rios, President, National Hispanic Medical Association

Welcome and Open Meeting

Nancy Caliman, Designated Federal Official for the Advisory Panel on Medicare Education (APME), called the meeting to order at 9:10 a.m.

Introduction of Panel Members and Other Participants

Carol Cronin, Chairperson of the Advisory Panel on Medicare Education, asked members to introduce themselves. Joe Baker of the Medicare Rights Center attended for Diane Archer and Candy Schaller of the American Association of Health Plans attended for Heidi Margulis.

Review of Agenda/Recap of Previous Meeting

Ms. Cronin summarized the agenda for the meeting, stating that the meeting would break at about 9:30 a.m. so that the Panel could watch the broadcast of President Bush making an announcement about Medicare reform. Michael McMullan, Director of Beneficiary Education and Acting Director, Center for Beneficiary Choices (CBC), Centers for Medicare & Medicaid Services (CMS), would provide an update on the changes at CMS and new activities in CBC. Representatives from the Social Security Administration would talk about the role of the Social Security Administration in Medicare. Ms. Cronin announced that Ruben King-Shaw, Jr., Deputy Administrator and Chief of Operations for CMS would join the meeting in 3:00 p.m. to expand on the President's announcement and discuss the initiatives of the new Administration.

Ms. Cronin reviewed the April 26, 2001 APME meeting **(Attachment C)**. She said that Richard Chambers and Elaine Raubach of CMS (at the time the Health Care Financing Administration) briefed the Panel on the status of various Medicare education initiatives and Fiscal Year 2002 (October 1, 2001 to September 30, 2002) Medicare education budget. Marisa Scala of the Center for Medicare Education briefed the Panel on her paper Medicare Education: Implementation Challenges. A panel of three speakers presented a discussion on private sector Medicare education efforts. The Panel decided to develop an Interim Annual Report and after agreeing on the main points, drafted the report following the meeting through telephone calls and e-mail. Ms. Cronin said that she sent the Interim Annual Report **(Attachment D)** to CMS, addressed to the Secretary of the Department of Health and Human Services (DHHS) on June 5 to ensure that Thomas Scully, the new CMS Administrator, would officially be in office. She thanked the Panel for participating

in the development of the report. A member thanked Ms. Cronin for her work and being open to including different viewpoints.

CMS Update/Issues
Initiatives of the New Administration

Michael McMullan updated the Panel on changes at CMS including the appointment of Thomas Scully as Administrator and Ruben Jose King-Shaw, Jr. as Deputy Administrator and Chief of Operations. She described the restructuring of CMS and the functions and leadership of the Center for Medicare Management, Center for Beneficiary Choices and Center for Medicaid and State Operations. Ms. McMullan said that the Administration was actively searching for a director for CBC. She referred to the News Release and Fact Sheet dated June 14, 2001 **(Attachment E)** from DHHS announcing the agency name change from the Health Care Financing Administration to the Centers for Medicare & Medicaid Services (CMS). She described initiatives such as the national Medicare media campaign, increased emphasis on agency responsiveness -- for example, stricter deadlines have been set for answering Congressional correspondence [for the Administrator's signature within 10 days and for the Secretary's signature within 6 days]-- and enhanced Medicare helpline availability. In response to a member's question, Ms. McMullan clarified that the intent of the media campaign is to educate the population about Medicare and not to promote the agency's name change. She also said that the Administrator would seek additional funds from Congress in upcoming budgets for his Medicare education initiatives.

Ms. McMullan reported that the *Medicare & You* 2002 handbook had been delivered to the printer. Instead of incorporating Medicare + Choice (M+C) plan comparison information, the handbook will tell readers where and how to obtain plan information. [Note: CMS made this change because DHHS extended the deadline for M + C organizations to submit their Adjusted Community Rate Proposals (ACRP) for contract year 2002 from July 2, 2001 to September 17, 2001.] She explained that CMS would enhance funding for the toll-free helpline, 1- 800 - MEDICARE. Starting on October 1, the helpline will be staffed by Customer Service Representatives (CSRs) 24 hours a day-7 days a week instead of the current 8 hours a day-5 days a week. CSRs will be able to give callers more detailed information according to the nature of their inquiries. CSRs will answer certain levels of questions and refer callers who need counseling to the states and the State Health Insurance Assistance Programs (SHIPs). CSRs will receive training to provide more detailed information and are able to answer calls in English and Spanish.

Members asked Ms. McMullan how the funding and effort to implement the Administration's initiatives would affect other aspects of Medicare education. She said that the handbook staff did an extraordinary job to change the format so quickly. She said that CMS eliminated some discretionary projects such as specialty publications. The staff is completing projects currently in production such as the publication on coverage of women's health. She said that the REACH (Regional Education about Choices in Health) activities of the Regional Offices would be integrated into the new campaign and some agency funds would be reallocated.

Members expressed concern about the lack of plan comparison information in the 2002 *Medicare & You* handbook. Ms. McMullan said that beneficiaries could have plan comparison information mailed to them by calling the Medicare helpline. In response to a question, she said that she would inform members on the performance standard for the print-on-demand feature (the length of time it takes to have the material mailed). Ms. McMullan said that plan comparison information would be available on the www.medicare.gov website by October 1. If certain plans' information is unavailable, the site will indicate "under review".

[The Chair adjourned the meetings to allow members to watch the broadcast of President Bush announcing his Medicare-Endorsed Prescription Drug Discount Card Program and his principles for Medicare restructuring. After the broadcast, she called the meeting to order.]

Medicare Compare

Mr. Baker expressed concerns that the plan information that will be on the medicare.gov website may not be complete because of the short period between the October 1 deadline and CMS's receipt of the ACRPs. He said that beneficiaries might be hesitant in making their choices if they believe that the information may change. Ms. McMullan said that from past experience, most of the information would not change after October 1. The website will encourage beneficiaries to call the health plans in which they have an interest for more information.

Web-Based Decision Support Tool

Ms. McMullan and Mary Agnes Laureno, Director, Beneficiary Information Services Group, CMS, responded to questions about the web-based decision support tool (subsequently named the Medicare Personal Plan Finder (MPPF)). The MPPF will be a new feature on the www.medicare.gov web site as of October 1, 2001. It will allow people with Medicare to narrow down and compare their health plan choices based on what is most important to them. The MPPF will give them the ability to do out-of-pocket cost comparisons between all health insurance options and get more detailed information on the ones they select. Pulling data from existing databases and web applications, including Medicare Health Plan Compare, Medigap Compare, Local Medicare Events, Prescription Drug Assistance Programs, and the Helpful Contacts database, the MPPF will bring multiple search results together in a more useable and consumer-friendly manner. A member commented that plan and Medigap information on Medicare Compare and Medigap Compare is incomplete and that beneficiaries might make decisions based on incomplete information. Ms. Laureno said that CMS does not have the authority to compel Medigap insurers to submit data for the website. Ms. McMullan said that CMS could modify the website display to make it clear that the information might be incomplete. She also said that CMS would not retain the information that beneficiaries submit to use the tool.

A member said that CMS should include quality as a criterion for the decision tool and there should be protection for beneficiaries who make decisions based on incomplete information. Ms. Schaller stated that the plans are concerned that their information be complete and there should be few changes after October 1.

Ms. McMullan said that CMS would encourage beneficiaries to consult all sources of information and talk to all plans before making their Medicare choice.

[The chair adjourned the meeting for a break and then called the meeting to order.]

Role of the Social Security Administration in Medicare
Marcus Brownrigg, Public Affairs Specialist, SSA Region 3
Louisa Brinson, Staff Associate, Alexandria, Virginia District Office, SSA Region 3

Ms. Cronin stated that the subject of the role of the Social Security Administration (SSA) in Medicare arose during the April 26, 2001 and other APME meetings. She said the two speakers would provide a briefing on the relationship between SSA and CMS. She introduced Mr. Brownrigg and Ms. Brinson.

Mr. Brownrigg works in the office of the Director of SSA Area 3. The office is responsible for field offices in Maryland, the District of Columbia and Virginia. He described the information and services SSA provides to Social Security and Medicare beneficiaries **(Attachment F)**. The SSA establishes eligibility for Medicare for the aged, the disabled, and resident aliens; informs beneficiaries of their eligibility and the penalties for late enrollment; automatically enrolls beneficiaries who are receiving Social Security or Railroad Retirement benefits; encourages those who are not receiving these benefits to enroll; and mails Medicare cards.

Ms. Brinson discussed other SSA Medicare functions. These include administering Medicare enrollment **(Attachment G)**; processing Part A and Part B premiums; managing M + C disenrollments **(Attachment H)**; recording wages to establish entitlement; and updating Social Security records. Ms. Brinson said that SSA is working with CMS to avoid terminating benefits erroneously. SSA also answers billing questions regarding Medicare premiums. The staff refers beneficiaries who have questions about Medicare provider bills to the Medicare helpline. She said that SSA has eight payment service centers that process Medicare premiums.

SSA and Medicare Education

Mr. Brownrigg discussed the SSA role in Medicare education. He said that SSA produces a Medicare publication **(Attachment I)**, which gives basic information on eligibility, cost, enrollment, coverage, choices, and supplemental insurance. He said that the SSA offices try to provide the best possible customer service, educating beneficiaries about all benefits to which they may be entitled including Medicare savings programs for low-income persons. SSA employs approximately 100 public affairs specialists nationwide who do public presentations, distribute Medicare publications, and inform beneficiaries

about the medicare.gov website and Medicare telephone numbers. He said that the *Medicare & You* handbook is comprehensive but can be confusing to beneficiaries and contains too many telephone numbers. Mr. Brownrigg said that beneficiaries do not understand the difference between SSA and CMS. When they have a Medicare problem, they may call SSA because they know that SSA collects their Medicare premiums. He complimented the *Guide to Health Insurance for People with Medicare* and CMS publications on choosing a nursing home, home health care, and coverage of dialysis and kidney transplants. He said SSA staff refer low-income beneficiaries to state Medicaid agencies or social service agencies for help with Medicare savings programs. He also refers beneficiaries to local SHIPs. Mr. Brownrigg said that SSA call center (1-800-SSA-1213) personnel are trained to answer basic Medicare questions. If a question goes beyond their knowledge, they refer the caller to the Medicare helpline or medicare.gov. He said that it can be frustrating to clients to be asked to call another number and suggested that CMS develop Medicare publications for SSA field offices so that the staff can be more thorough in answering Medicare questions.

A member asked how the field offices could be helped to do a better job in providing Medicare information. Ms. Brinson said they could answer questions about premium bills more readily if they had direct contact with CMS staff instead of having to go through SSA payment service centers. She said the CMS staff does an excellent job handling of telephone inquiries.

A member asked Ms. Brinson and Mr. Brownrigg their opinions on why many eligible persons are not receiving Medicare savings benefits. Mr. Brownrigg said that many beneficiaries do not want to go to offices other than SSA offices to apply for the benefits.

A member asked Ms. Brinson about the training that SSA field staff receive to handle Medicare inquiries. Ms. Brinson said that when staff are hired they receive thirteen weeks of training. Their Medicare training is based on the *Medicare & You* handbook. Because of the nature of the SSA role, the training focuses on eligibility and enrollment. She also said that the depth of core Medicare knowledge within a particular field office varies.

A member asked Ms. McMullan whether CMS has staff comparable to Mr. Brownrigg. She said that CMS regional office staff conduct Medicare outreach presentations but they are not full time public affairs specialists.

A member commented that the SSA has a good model that could be applied to provide a local presence for Medicare. The member asked whether the field offices inform beneficiaries about the documents they need to apply for Medicaid and other benefits for low-income persons. Ms. Brinson said that they would like to provide more information concerning the application process but currently, they give the numbers and addresses of the agencies that receive the applications. The offices have Supplemental Security Income representatives available and accept food stamp applications from certain individuals. She said they could possibly accept applications for other benefits if the application forms are not cumbersome.

A member asked Mr. Brownrigg's opinion on whether it would be better for SSA to have more Medicare experts in field offices or for CMS to have more local spokespersons. Mr. Brownrigg explained that SSA's communications structure comprises a national office, a regional communications structure, and district communications offices. All field offices must have two community-based training programs for stakeholders each year. He said that CMS could benefit from a similar communications structure. In response to a member's question, Ms. Brinson said that it would be very helpful for the SSA field offices to have staff persons dedicated to providing Medicare information.

A member asked how SSA handles limited English proficient populations. Mr. Brownrigg said that SSA has a multilingual gateway at http://www.ssa.gov/multilanguage. Social Security information is available in fourteen languages through this gateway. He said that SSA has an Hispanic women's web page, a central office workgroup on outreach to those with low literacy levels and limited English proficiency, is hiring bilingual workers, and uses ethnic media.

A member asked about the SSA role in implementing the Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA). Mr. Brownrigg said that SSA had created the position of employment service representative to assist disabled individuals who are returning to work and work with organizations who will receive grants to provide assistance to these individuals. SSA will have these staff working in each state by 2003.

A member asked about the number of SSA field offices and employees. Mr. Brownrigg said that SSA operates 1,300 field offices overseen by area offices. SSA has 60,000 employees in the field offices and 5,000 central office employees and payment service representatives.

[The chair adjourned the meeting for the lunch break and then called the meeting to order at 1:11 p.m.]

Medicare Education Operating Priorities, 2001-2002

Ms. Cronin introduced the afternoon session by referring to the discussion framing paper in the meeting binder **(Attachment J)**. She suggested that the Panel discuss lock-in, the Medicare media campaign and other aspects of Medicare education operating priorities for 2001-2002 as time would permit.

Lock-In

Ms. McMullan stated that CMS is proceeding with implementing lock-in as of January 2002 as required by law. She referred to the summary of formative research on communicating with beneficiaries on lock-in that was included in the meeting binder **(Attachment K)**. She said that the research indicates that the concept of lock-in could be confusing to beneficiaries. CMS will not use the term "lock-in" because it sounds frightening and does not translate well into Spanish. CMS is taking a simple, matter-of-

fact approach. Beneficiary materials **(Attachment L)** include language in the *Medicare & You* handbook, a booklet, answers to frequently asked questions for the helpline and the medicare.gov website, and a paragraph in the "Annual Notice of Change" letter that M + C organizations must send to beneficiaries to announce changes. Ms. McMullan said that the percentage of beneficiaries who voluntarily switch from their M + C plans is small.

Ms. Schaller stated that it is unlikely that Congress will repeal lock-in because it is focused on the Patient's Bill of Rights.

A member asked what beneficiary circumstances would warrant an exception to lock-in and allow a disenrollment, for example in the case of a frail or cognitively impaired enrollee. Ms. McMullan stated that she would obtain this information for the Panel. She said that exceptions are generally granted on a case-by-case basis.

In response to a member's question, Ms. Laureno stated that in the *Medicare & You 2002* handbook, lock-in is highlighted under the section "What's New in Medicare".

In response to a member's question, Ms. McMullan stated that plans would inform beneficiaries who try to disenroll or enroll in another plan during their lock-in period why they cannot enroll or disenroll. CMS will develop model language for the plans to use in these circumstances. She said that lock-in language would be included in the plans' Notice of Change, Summary of Benefits and Evidence of Coverage documents.

A member asked whether lock-in could be repealed because of beneficiaries' changing health circumstances. Ms. McMullan stated that CMS does not have a legislative proposal to repeal lock-in.

Members asked about CMS's plans for tracking beneficiaries' response to lock-in such as how many try to change but cannot and why they want to change. Elizabeth Goldstein, Director, Division of Beneficiary Analysis, CMS, stated that the Office of Strategic Planning will conduct an evaluation of lock-in. Ms. McMullan asked members to share questions they feel should be included in the evaluation.

Media Campaign

Ms. McMullan explained that CMS Administrator Thomas Scully formed the concept of a Medicare media campaign early in his tenure. He is aware that most beneficiaries do not understand the Medicare program including programs for low-income beneficiaries. He believes that a major advertising campaign can get their attention. The campaign will encourage people with Medicare to ask themselves and others about their Medicare benefits, Medigap and Medicare Savings Programs [Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB), Qualified Individual (1 & 2) (QI-1 and QI-2), and Qualified Disabled and Working Individuals (QDWI)]. It will inform them where to get answers to their Medicare questions. She said that CMS is

working with the Academy for Educational Development to identify an ad company to help with the campaign.

In response to questions, Ms. McMullan explained that the message of the media campaign will focus on encouraging beneficiaries to ask questions about their health care coverage and tell them where to go to get help with their questions.

A member suggested that CMS call the campaign a consumer awareness campaign rather than an advertising campaign because the latter implies selling. This is sensitive because the Administration has said that it wants to double managed care enrollment. His opinion is that the issue should not be whether beneficiaries change their health care choice but that they take charge and assess whether their current coverage meets their needs.

Mr. Baker expressed concern that the campaign could increase beneficiary calls to intermediaries about Medicare Savings Programs for low-income persons. He said that the Medicare Rights Center (MRC) conducted a study of how New York City administers its enrollment process for Medicare Savings Programs. He said the Human Resources Administration is not administering the programs appropriately, is not enrolling people, does not include information about the programs in its materials and its caseworkers give erroneous information. He suggested that SSA take over enrollment. He is concerned that the MRC and other intermediaries could be overwhelmed by people who try to apply for the Savings Programs through the City and then seek help from MRC when they encounter problems. He suggested that the media campaign acknowledge that it may be difficult for beneficiaries to enroll in the programs. There was discussion that some states have improved their enrollment processes while others have not. Ms. McMullan said that CMS is urging states to optimize their enrollment processes. She is hopeful that improvements will occur in the future.

A member asked whether the media campaign would take funds from other aspects of Medicare education. Ms. McMullan said that CMS would not reduce the handbook budget or SHIP grants and more money would be spent on the helpline. Other aspects of the *Medicare & You* program including the REACH campaign, will be aligned with the new campaign. CMS will reallocate some monies to the fall campaign from unspent funds or activities planned but not implemented.

In response to questions, Ms. McMullan said that CMS had not tested any high-level message concepts for the media campaign. She said however, that the messages would be tied to the 2001open enrollment period in November and December because this is the period during which changes can be made. She also said that the prescription drug discount card program would be included in the campaign. A member asked that the APME be provided with the results of any message testing that CMS conducts.

Mr. Baker said that CMS is trying to present too many messages in one campaign. He suggested that CMS tie the fall campaign to health plan choices and conduct another campaign on Medicare benefits in a different period. Otherwise, the SHIPs could be overwhelmed with consumer inquiries. Ms. McMullan acknowledged that the

information sources must be prepared to answer beneficiaries' questions. A member said that the campaign should focus on basic Medicare education because beneficiaries may not have enough knowledge to ask questions.

A member asked whether CMS could connect with SSA during the fall campaign. Ms. McMullan said that she and Ruben King-Shaw, the Deputy Administrator of CMS, would meet with the Acting Social Security Commissioner in a few weeks to discuss the complement of issues about communicating with shared beneficiaries.

Ms. McMullan said that CMS would select contractors for the media campaign by the end of July. CMS staff is gathering research and assessing environmental factors such as impediments to enrolling in Medicare savings programs and the impact of other aspects of the campaign such as the *Medicare & You* handbook.

Mr. Baker said that the media campaign is a good effort for CMS and that all intermediaries should pull together and communicate the same messages. He encouraged CMS to try the campaign, see how it works and change it for the future if necessary.

Partnerships with SSA and Other Entities

A member said that the Secretary of DHHS and the Social Security Commissioner should come to an understanding on using the vast network of SSA to serve beneficiaries more effectively. He said the APME should recommend how the arms of the Federal government can work together to serve beneficiaries. Another member said that the APME should know more about the Medicare trust fund money that goes to the SSA in terms of how the amount is calculated and whether the Medicare program benefits from the money. A member requested that CMS inform the APME of the results of the meeting between SSA and CMS officials, especially any proposals such as increased training for SSA staff or placement of Medicare experts at SSA field offices.

Members suggested that other important partners in Medicare education are the Area Agencies on Aging and the National Association of Insurance Commissioners.

***Medicare & You* 2002 Handbook and Lock-In**

A member raised the issue of the delay in the ACRP deadline and how it affected the inclusion of plan comparison information in Medicare & You 2002 handbook. The member said that the Panel is not satisfied with sending beneficiaries to another source for this information. He said that CMS needs to find a way to balance the needs of the Agency and health plans and still get the comparison information into the handbook. He said further that it appeared that the Secretary and the Administrator went against the statute by delaying the deadline for receipt of the ACRPs. If this was the case, he said, perhaps they could change lock-in. Ms. McMullan stated that the Administration allowed the delay in the ACRP deadline with the full knowledge of Congress. This was done to allow health plans the opportunity to participate in the M + C program.

APME Recommendations

The Chair articulated three recommendations based on the foregoing conversation: 1) CMS should relate to other agencies such as SSA at high levels. 2) Plan comparison information must be included in *Medicare & You* handbook. 3) Lock-in should be delayed.

Lock-In

There was discussion on the prospects for repeal of lock-in. Some members stated that Congress was largely unaware of the issue but that once it went into effect it could generate negative publicity. A member asked about the rationale for lock-in. Ms. Schaller stated that the rationale for lock-in is that it corresponds to practices in employer-based insurance. Another member said that lock-in minimizes favorable selection and holds health plans, or whichever choice beneficiaries make, accountable for their care for an entire year. The managed care industry and many consumer groups remain opposed to lock-in.

[The chair adjourned the meeting for a break and then called the meeting to order.]

CMS Update and Issues
Ruben Jose King-Shaw, Jr., Deputy Administrator and Chief of Operations, CMS

Ms. Cronin introduced Ruben Jose King-Shaw, Jr. He said he was sworn in as Deputy Administrator and Chief of Operations for CMS three hours before his appearance at the APME meeting. Mr. King-Shaw said that he is responsible for day-to-day operations of the agency in terms of achieving responsiveness, implementing policies and integrating policy, budget and operations.

Mr. King-Shaw discussed President Bush's principles for a revised, reformed Medicare program. These eight principles will be a benchmark to measure proposals coming into Congress and from around the country. The principles follow:

1. All people with Medicare should have the option of a subsidized prescription drug benefit as part of modernized Medicare.
2. Modernized Medicare should provide better coverage for preventive care and serious illnesses.
3. Today's beneficiaries and those approaching retirement should have the option of keeping the traditional plan with no changes.
4. Medicare should provide better health insurance options, like those available to all Federal employees.
5. Medicare legislation should strengthen the program's long-term financial security.
6. The management of the government Medicare plan should be strengthened so that it can provide better care for seniors.
7. Medicare's regulations and administrative procedures should be updated and streamlined, while the instances of fraud and abuse should be reduced.

8. Medicare should encourage high-quality health care for all seniors.

Mr. King-Shaw then described the President's Medicare-Endorsed Prescription Drug Discount Card Program. He said that the Department would endorse discount prescription cards by entities that provide such cards. This will not be an insurance policy but a way for beneficiaries to combine their purchasing power with other purchasers. He said a consortium would be set up to help administer this program. The discount will vary but may be between 10 and 20 percent. The cost of the card cannot be over $25. Beneficiaries can enroll in only one program at a time and will be able to change their program. Mr. King-Shaw said CMS would endorse the cards annually and monitor their performance through regular reviews. The performance criteria will include financial stability, accessibility, and ability to communicate with people of various ethnic groups and linguistic capabilities. He said the program would be implemented by the end of the year and not require legislation. Mr. King-Shaw said that the program would not replace a prescription drug benefit within the Medicare program.

Mr. King Shaw was asked whether the President would put forward a Medicare reform proposal or adopt a proposal. He said that the President would do both. He said that the Administration would put forward proposals such as fee-for-service contractor reform and might reintroduce the "Immediate Helping Hand" prescription proposal with revisions.

A member said that the idea of combining consumer buying power to obtain discounts on prescription drugs could be applied to the concept of consumer coalitions negotiating with managed care plans about cost and coverage issues. The savings obtained from the plans not having to enroll members individually could go toward lower premiums and expanded benefits. He said that CMS should consider having M + C organizations enter multi-year contracts so that the plans can recoup their investment in preventive care and health promotion. He also said that the health status of Medicare beneficiaries over time should be a performance measure for M + C organizations. Mr. King-Shaw said that CMS affirms that quality counts, however there is no consensus on which of the many types of data available predict or measure quality. He said that multi-year contracts work as long as there is continuous enrollment.

A member asked whether the Administration envisioned forming a new entity to manage its Medicare initiatives and which of those initiatives will require legislation. Mr. King-Shaw said that CMS would manage the Medicare initiatives. He said that CMS has the authority to manage the fee-for-service and M + C programs and can implement the drug card program administratively. However, coverage decisions are regulatory decisions and must follow the rulemaking process. Contractor reform requires legislation.

Because of time constraints, Mr. King-Shaw took note of the following questions and comments made by Panel members but he did not have time to respond to them.

- What is the impact of the President's Medicare-Endorsed Prescription Drug Discount Card Program on beneficiaries who are in health plans that cover prescriptions?
- Lock-in is not appropriate for the Medicare population.
- Mr. King-Shaw's emphasis on the needs of beneficiaries with limited English proficiency and low literacy levels is encouraging.
- The President's statement that Medicare needs to be simple and convenient for the population is appreciated.
- Dealing with competition and choice is difficult for older adults. Twenty-five percent have cognitive impairments. CMS does not have the infrastructure to educate older adults to make informed choice.
- CMS should implement the prescription card program so that geographic disparities do not result.

Mr. King-Shaw said that he would like to attend the Panel's next meeting to discuss lock-in and other issues pertaining to Medicare education. He said that he had begun discussions with the 10 CMS regional offices on how to improve Medicare education while retaining those aspects that the agency does well.

Public Comment

There was no public comment.

Annual Report and Next Steps

Next Meeting

Ms. Cronin announced that the next APME meeting would be held on Thursday, October 25, 2001 in Washington, D.C. and not in Albuquerque, New Mexico as the Panel had discussed at the April 26, 2001 meeting. CMS requested the change in location because of the significant resources needed to hold the meeting in Albuquerque. Ms. Cronin agreed because the main agenda topic would be the APME Annual Report, which is not related to the Albuquerque location.

Annual Report Subcommittee

Ms. Cronin reminded the Panel that at the April 26, 2001 meeting it agreed to develop an Annual Report by the end of 2001. She stated that she had appointed Ed Zesk as subcommittee chairperson. She distributed draft minutes of the July 10, 2001 meeting of the subcommittee **(Attachment M)**. Ms. Cronin said that the subcommittee would circulate a draft of the Annual Report before the October 25, 2001 meeting. The Panel will discuss the draft at the October meeting. The subcommittee will refine the Report following the meeting and obtain the Panel's agreement on the wording by the end of 2001.

A member commented that by October, the major impact and implementation of the education campaign would be felt and CMS would not have the committee's comments.

Mr. Zesk stated that the APME Interim Report attempted to respond to the current environment however the Annual Report can focus on long term impact. The Report can address broad issues such as how CMS can become more of a customer service oriented agency as opposed to a bill payer. He said that the Panel should make recommendations that are strategic rather than addressing the details of current program operations.

A member suggested that the Panel could submit its Annual Report in February or March to give the Panel more time to complete it.

Mr. Baker suggested that the report acknowledge CMS's resource and structural circumstances that complicate its Medicare education functions. These circumstances include the involvement of partners such as state insurance departments, state Medicaid offices, Medigap insurers and others. CMS has the responsibility for administering facets of the Medicare program over which it does not have control.

A member requested that CMS provide information on the Web-Based Decision Support Tool at the October meeting. Ms. McMullan said that Ms. Caliman would give the Panel updates on the education initiatives between meetings.

Medicare-Endorsed Prescription Drug Discount Card Program

A member asked how the Medicare-Endorsed Prescription Drug Discount Card Program would work. Ms. McMullan explained some aspects of the program and said that she would have an information packet on the program sent to the Panel members.

Adjournment

Ms. Caliman adjourned the meeting at 4:12 p.m.

Prepared by:
Nancy M. Caliman, Designated Federal Official, Advisory Panel on Medicare Education
Division of Partnership Development /Partnership and Promotion Group
Center for Beneficiary Choices
Centers for Medicare & Medicaid Services

Approved by:
Carol Cronin, Chairperson
Advisory Panel on Medicare Education

Attachments

A. *Federal Register Notice*, June 26, 2001 (Volume 66, Number 123, Pages 33966--33967).

B. Sign-in Sheet.

C. Meeting Summary, April 26, 2001 Meeting of the Advisory Panel on Medicare Education.

D. Interim Annual Report, Advisory Panel on Medicare Education, June 05, 2001.

E. HHS News Release, *First Steps Taken in Reforming Medicare & Medicaid Agency*, June 14, 2001.

HHS Fact Sheet, *The New Centers for Medicare & Medicaid Services (CMS)*, June 14, 2001.

F. PowerPoint Presentation, *Social Security Field Offices and Medicare*.

G. Application for Enrollment in Medicare, Form HCFA-40B.

H. Medicare Managed Care Disenrollment Form, Form HCFA-566.

I. *Medicare*, SSA Publication No. 05-10043.

J. Framing Paper, Medicare Education Operating Priorities.

K. Medicare "Lock-In" Formative Research.

L. Lock-In Consumer Materials: excerpts from *Medicare & You 2002* handbook, booklet, *New Rules for Switching Medicare Health Plans*, Lock-In Questions and Answers, Model Annual Notice of Change letter.

M. Minutes, Annual Report Subcommittee, Advisory Panel on Medicare Education, July 10, 2001.